Pharmacy Program Management

What does this appropriation support?

With a pharmacy budget of over $1.1 billion in FY-2006, it is necessary to have resources to manage the program. The administrative rate is less than 0.6% of the total Medicaid pharmacy budget. Through the Pharmacy Enhancement Program, the Division of Medical Services is able to maintain current cost containment initiatives and implement new cost containment initiatives. Major initiatives include:

- Help Desk Staffing
- Quarterly Updates to the Missouri Maximum Allowable Cost (MAC)
- Maintenance and Updates to Fiscal and Clinical Edits
- Prospective and Retrospective Drug Use Review (DUR)
- Routine/Adhoc Drug Information Research
- Enrollment and Administration of Disease Management
- Enrollment and Administration of Case Management
- Preferred Drug List (PDL) and Supplemental Rebates

What is the authorization for this program?

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal regulations: 42 CFR, Part 432

Is this a federally mandated program?

Yes. Section 1902(a)(4) of the Social Security Act requires such methods of administration as necessary for proper and efficient administration of the Medicaid State Plan.

Are there federal matching requirements?

Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn $0.50 in federal funding.

What are the expenditures?

How many pharmacy claims are there?

Number of Pharmacy Claims		
SFY	Actual	Projected
2003	15.4 mil	16.2 mil
2004	17.1 mil	16.5 mil
2005	19.1mil	18.8 mil
2006		16.2 mil*
2007		10.4 mil
2008		11.4 mil

*Reduction in FY-2006 due to the Medicare Modernization Act (MMA)

Efficiency and Effectiveness Measures:

Percentage Increase in Pharmacy Expenditures (Average Per Eligible Per Month)

Medicaid/MC+ Recipients in a Disease Management Program

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Planned
GR	$0	$0	$2,182,089	$2,232,089
FEDERAL	$0	$0	$3,469,346	$3,602,788
OTHER	$0	$0	$562,521	$924,911
TOTAL	$0	$0	$6,213,956	$6,759,788

What are the sources of other funds?

Third Party Liability Collections Fund